U.S. General Services Administration

–FINAL–

Real Property Efficiency Plan

FY 2020–FY 2024

September 10, 2019

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PREFACE

This template was designed specifically for the fiscal year (FY) 2020–FY 2024 submittal of the Reduce the Footprint (RTF) policy Real Property Efficiency Plan. It also serves as the real property management template required by Public Law 114-318, the Federal Property Management Reform Act of 2016 (the "Reform Act"). This template will be updated annually as required by the Reform Act based upon experience, program needs, and agency comments.

INTRODUCTION

As the real estate provider for the majority of the Federal Government's civilian workforce, GSA provides workspace in over 1,900 American communities to more than 700,000 Federal employees and contractors working in over 400 agency bureaus. GSA supports the missions of these agencies by providing workspace in a portfolio of approximately 368.5 million rentable square feet (RSF) of space comprising over 1,600 Government-owned assets (approximately 183.8 million RSF) and 7,100 leased locations (approximately 184.7 million RSF).

GSA's mission is to "deliver value and savings in real estate, acquisition, technology, and other mission-support services across government." This mission provides an opportunity to create model workplaces for the entire Government. GSA seeks to improve performance, sustainability, design quality, and space utilization to create a model for all Federal workplaces. GSA seeks to drive innovation throughout the agency by seeking new technologies and identifying how these technologies can support its external customers.

GSA will continue to identify and target underutilized assets for disposal, to work with its customers to eliminate lease arrangements where appropriate, and to remain a Governmentwide leader in space management and sustainability.

ROLES AND RESPONSIBILITIES OF SENIOR OFFICIALS

GSA's Office of Administrative Services (OAS) manages and oversees the portfolio of GSA-occupied space assigned to GSA operations. OAS serves as the primary customer and tenant representative for each Service and Staff Office within GSA. OAS's responsibilities include reviewing and approving—

- all Occupancy Agreements;[1]
- requirements packages for space acquisition, relocation, or reconfiguration;
- requests for exemptions to the design standards; and
- concept and design intent drawings.

OAS also tracks personnel counts within GSA-occupied space and manages a governance process for all real property projects exceeding $10,000.

GSA's Senior Real Property Officer (SRPO) is the Public Buildings Service (PBS) Commissioner. OAS forwards all proposed gains of space exceeding 10,000 usable square feet (USF), along with the appropriate offsets, to the SRPO. PBS is also responsible for acquiring and

[1] An Occupancy Agreement (OA) is a statement of the business terms governing the relationship between GSA's Public Buildings Service and the tenant agency for a specific space assignment.

maintaining all space for internal GSA operations, as well as for managing and supervising project execution and implementation. OAS and PBS collaborate to ensure that internal workplace projects fit within GSA's overall portfolio planning.

The GSA Office of the Chief Financial Officer (OCFO) is responsible for reviewing and assessing internal workplace project funding requirements, and for incorporating funding requirements into the GSA budget request.

OAS collaborates with the Administrator, SRPO, OCFO, and other GSA senior leaders to review internal workplace project plans, funding requirements, related policies, and other program issues. OAS is also responsible for developing this 5-year plan.

The Federal Buildings Fund (FBF) is the primary fund for PBS and funds GSA's acquisition and operations of Government-owned and -leased buildings. Annually, the FBF budget is formulated and includes funding for the capital program via the Capital Investment and Leasing Program. These programs include funding for GSA's entire portfolio of buildings. Only a small part of the funding is available to invest in space GSA occupies.

The budget process for internal workplace projects starts with identifying the priority projects for each fiscal year and developing budget estimates for each of the priority projects. OAS creates a spend plan based on the estimates and ranks the priority projects. The spend plan is submitted to PBS for review and approval and then to OCFO for approval and release of funds.

In most cases, project costs are paid by each GSA tenant affected by the project. PBS Pricing Policy assigns design and construction costs between PBS (as landlord) and the tenant, and OAS allocates tenant costs among GSA organizations based on each tenant's personnel count. For example, if a GSA field office is occupied by 15 PBS employees and 10 GSA Federal Acquisition Service (FAS) employees, then PBS pays for 60 percent (15 PBS employees/25 total GSA employees) of the project costs, and FAS pays for the remaining 40 percent.

BUDGET ASSUMPTIONS AND IMPACT TO REDUCTION TARGETS

In the development of targets, GSA assumed funding would be available for all of the projects listed on the attached spreadsheet. Historically, GSA has received sufficient funding to fund priority projects such as regional office buildings and projects involving an expiring lease. When GSA started the effort to reduce its footprint in 2014, the largest buildings were targeted first, such as GSA's headquarters and regional office buildings. The majority of the larger projects were completed by FY 2017, leaving mostly smaller projects to be funded in FY 2018 and beyond, with the exception of the National Capital Region (NCR) relocation project.

Funding for GSA workplace projects comes from numerous GSA accounts, depending on the activity (e.g., construction, furniture, etc.) and the agency bureau occupying the affected space. Funds are needed from the FBF, the Acquisition Services Fund, the Working Capital Fund, and/or the Operating Expenses account. Lack of available funds in one or more of these accounts could prevent GSA from completing its proposed space reduction projects, and, if so, GSA would fall short of meeting its USF reduction targets. Targets will be adjusted each year based on availability of funding.

PORTFOLIO STATUS

Overall Agency Building Portfolio

GSA is leading a transformation of the workplace by providing Federal agencies with effective, mobile, and sustainable workplace solutions at the best value for the American taxpayer. Under OMB's Freeze the Footprint policy between FY 2012 and FY 2015, GSA reduced its portfolio of GSA-occupied office and warehouse space by over 1.4 million square feet, or 21 percent. Since Reduce the Footprint began in FY 2015, GSA has eliminated another 1.66 million square feet, or 32 percent, from its portfolio. GSA achieved this reduction by maximizing the use of owned Federal space, eliminating costly lease arrangements, and disposing of underutilized assets.

GSA plans to continue using these workplace strategies to further reduce its footprint over the next 5 years. By leveraging these strategies and maximizing the utilization of assets already under GSA's control, GSA does not foresee the need to increase its real property inventory to support GSA's internal operations.

FY 2018 Portfolio Summary per Federal Real Property Profile (FRPP) Submittal
(Include all buildings, including RTF properties)

Type	GSA OA Leased SF	GSA OA Owned SF
Office	498,306	3,493,672
Warehouse	113,185	525,363
All Other	13,420	61,161

Status Relative to Reduce the Footprint Baseline Requirement

At the end of FY 2018, GSA had reduced its portfolio by 32 percent (over 1.66 million USF) compared to the FY 2015 Reduce the Footprint baseline. The largest USF reductions during FY 2018 resulted from GSA consolidating space in one of its regional office buildings in the Great Lakes Region (Chicago, IL), and from releasing the remaining space at the Eastern Distribution Center (Burlington, NJ).

GSA achieved this outcome through a variety of initiatives and transformations. Most prominently, GSA is sizing its workspaces to better accommodate the work that occurs in these environments. GSA is shifting to a more flexible, open-plan workplace environment that maximizes natural light and equalizes private space for all space occupants. Desk sharing, implementing an internal space allocation policy, and continuing to enable and support mobile work have contributed to GSA's improvement in space utilization and success in reducing USF from the Reduce the Footprint baseline.

Maintenance of the Reduce the Footprint Baseline

GSA plans to continue reducing its footprint by utilizing the same successful workplace strategies, including right-sizing, desk-sharing, a continued emphasis on enabling and supporting mobile work, and a shift from traditional office space to more flexible, open-plan environments. GSA also will strive to limit all new GSA-occupied projects to 136 USF/person, per its agency space design policy.

The use of these strategies and policies will allow GSA to continue implementing its mission successfully while simultaneously reducing its footprint. GSA has identified a list of potential agency consolidation projects for FYs 2020–2022, as detailed in the submitted spreadsheet. The reduction targets are summarized in the chart above as portfolio-wide square footage changes to office space. GSA will continue to analyze and refine the list to ensure it makes the best investments possible in a constrained budget environment.

REDUCTION TARGETS

Reduction Targets for Office and Warehouse Space

From FY 2012 through FY 2015, GSA achieved a 21 percent reduction to its internal real estate portfolio. GSA has achieved an additional 32 percent USF reduction since the Reduce the Footprint baseline was set in FY 2015. Given the already substantial reduction to its footprint, GSA is shifting focus from reducing its portfolio to maintaining and improving its workplaces. GSA's FYs 2020–2024 space reduction targets focus on leased spaces, or owned spaces with a confirmed backfill tenant, and includes the consolidation of its NCR Regional Office Building into its headquarters building at 1800 F Street NW (both in Washington, DC). That move will result in GSA releasing about 250,000 USF space at the Regional Office Building in FY 2020.

Aside from that project, there are limited remaining opportunities to achieve significant reductions in GSA's internal portfolio; however, GSA will continue to evaluate and analyze opportunities to do so.

GSA's mission is unique in that GSA provides and manages space for Federal agencies Governmentwide. Because of GSA's role as Federal building manager, a physical presence is often required in GSA-controlled Federal buildings. Thus while space can sometimes be reduced, it cannot always be eliminated. Additionally, GSA's mission requires consideration of vacant space that results from any reductions of its own occupied space to ensure the vacancies created are marketable. Therefore, GSA must consider vacancy risk and backfill tenant options when prioritizing its own consolidation projects.

GSA's reduction targets are further constrained by the timing of expiring leases. If GSA does not have the right for early termination of a lease, then it is often not cost effective to pursue reduction or relocation options until lease expiration.

GSA occupies space in 19 warehouses and is not required to submit warehouse targets under the Reduce the Footprint policy. However, GSA is reviewing its occupancy in warehouse locations and is planning reductions where possible. In FY 2020, GSA is planning to exit its lease for warehouse space in Hyattsville, MD, which will result in an approximately 100,000 USF reduction.

Domestic Office and Warehouse SF Reduction Targets FYs 2020–2024

Target	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Office Target* (Net SF Reduction)	250,000	6,500	3,000	3,000	3,000
Warehouse Targets* (Net SF Reduction)	N/A	N/A	N/A	N/A	N/A

*Reductions are reported as a positive value.

Disposal Targets for Owned Buildings

More than 90 percent of the space that GSA occupies[2] is office and warehouse space. Due to the limited amount of space that GSA occupies outside of office and warehouse space, GSA did not develop disposal targets for non-office and non-warehouse owned buildings. However, due to GSA's mission as a provider of space to other Federal agencies and its commitment to reducing the Federal footprint, GSA developed anticipated disposals for all property types in GSA's

[2] Excludes space assigned to outleases, licenses, space for former Presidents or Presidential transition activities, the Office of the Inspector General, or the Civilian Board of Contract Appeals.

owned inventory over the next 5 years. These disposals will amount to about a 3.2 million square foot reduction in the Government space inventory (see Appendix).

Use of Performance Benchmarks to Identify Reduction Opportunities

GSA prioritized potential projects by a number of factors, including the projects' ability to improve GSA's performance on the benchmarks tracked for the President's Management Agenda (PMA). GSA closely monitors its real property portfolio and each project's impact on PMA benchmarks, including square footage per person, rental costs per square foot, year-over-year USF reductions, and percent change in GSA's overall real property portfolio. When prioritizing projects, GSA also considered each project's potential improvement to workplace design and each project's payback period, based on projected project costs and rent savings. The top priority projects included all of GSA's 11 regional offices. At the end of FY 2018, all of GSA's 11 regional office buildings had undergone reductions or consolidations. A further consolidation of GSA's NCR Regional Office Building is planned for FY 2020, moving into GSA's headquarters building.

Benchmark Metric Summary for General Services Administration

Benchmark Metric	**FY 2015**	**FY 2018**	**Change** (To be shown as an increase or decrease)	**Governmentwide Average**
SF per person GSA OA Office	272.1	199.58	–26.65 SF per person	252.7

Benchmark Metric	**FY 2013**	**FY 2018**	**% Change** (To be shown as an increase or decrease)	**Governmentwide Average**
Rent per SF GSA OA Office	34.26	30.61	–10.67 Rent $ per SF	27.97
O&M/SF Owned Office	5.32	6.09	+14.52 O&M $/SF	6.14
Rent per SF GSA OA Warehouse	-	11.04	-	10.87
O&M/SF Owned Warehouse	0.94	2.06	+119.31 O&M $/SF	2.68
Percent of Owned Portfolio SF with Facility Condition Index of 85 or greater	87.79	83.87	-4.46	74.02

Space Design Standard for Future Reductions

GSA developed a space design standard and implemented it in April 2014 as part of GSA's Internal Space Allocation, Design, and Management Policy. The policy addresses design strategies and guidelines, acoustics and privacy, furnishings, parking, and internal space allocation requirements. GSA does not have plans to revise its standard, as it is already set at 136 USF/person) for all internal workplace projects.

Utilization Rates

GSA's OAS Internal Space Allocation, Design, Management Policy indicates a utilization rate target of 136 USF/person for all GSA workplace projects.

GSA Utilization Rates

Headquarters/Bureaus	Administrative Office Utilization Rate
GSA Headquarters Building	479,415 USF / 3274 = 146 Utilization Rate

After GSA's National Capital Regional Office Building moves into GSA's Central Office in FY20, the Utilization Rate will be about 109 (479,415 USF / 4389 people). Administrative office space is measured in USF and consists of assignable space that is comparable to commercial office space (including open workstations, private offices, meeting rooms, file and storage rooms, coat closets, and reception areas). It does not include special space, such as data centers, laboratories, high density file rooms, and public waiting areas. Headcount is determined by the total number of Federal personnel and resident contractors assigned to a building.

GSA CONSOLIDATION PROGRAM

No projects were submitted for consideration of GSA's consolidation funds.

OPERATIONAL EFFICIENCIES

The OAS Office of Workplace Management and Services (OWMS) is a service organization designed to increase the ability of GSA staff to operate effectively within its transformed, shared workplaces. Specifically, OWMS manages GSA's internal real estate portfolio and provides consolidated/shared workplace services across several functional areas, including mail, fleet, print management, supplies, and personal property.

COMPLIANCE INTERNAL CONTROLS

OAS established an OWMS (previously Internal Workplace Management Division) in 2013 as a result of consolidation and realignment efforts of internal administrative programs. OWMS is responsible for the management and oversight of space that GSA occupies as a tenant to carry out its mission and priorities. The following internal controls have been employed and will ensure compliance with the RTF policy:

• OWMS reviews and approves all requirements packages for space acquisitions, relocations, or reconfigurations. Requests for new space must include a draft OA, a GSA headcount to occupy the space (on-board and resident contractor totals), and a justification in the event an increase is requested. OWMS will identify the appropriate offsets if required. If approved, OWMS will forward all gains in excess of 10,000 USF, along with the appropriate offsets, to OCFO (or designee) and SRPO (or designee) for concurrence.

• Additionally, OWMS reviews and signs all OAs for GSA-occupied space. As part of the OA review, OWMS assesses whether there is an opportunity to make any improvements to the space utilization. OWMS also developed and implemented a document management system to intake all OAs for GSA-occupied space to assist in centralizing and streamlining the review process.

• GSA consolidated internal agency bureau codes to streamline the assignment of space for GSA personnel and to support the consolidation and sharing of space across GSA organizations.

• OWMS worked with PBS to identify potential project opportunities to consolidate and co-locate across the portfolio. OWMS created a database to track these opportunities and developed criteria to rank and prioritize them for action. Criteria include design quality improvement, USF reduction, utilization rate improvement, rent savings, and payback period. OWMS works with regional contacts to further track and assess projects. In deciding which projects to pursue, OWMS considers other factors such as lease expiration, availability of backfill tenants, and availability of funding. OWMS tracks all space projects to ensure compliance with GSA space design policy and to track offsets and gains.

• OWMS regularly collects personnel counts to track the utilization rate across GSA-assigned space and assist in identifying potential opportunities for right-sizing the workspace.

• OWMS reviews and approves all requests for an exemption to the Design Strategies and Guidelines outlined in GSA's Internal Space Allocation, Design, and Management Policy.

• OWMS collaborates with PBS to monitor real property costs and total square footage for space GSA occupies.

FRPP DATA QUALITY IMPROVEMENT

GSA's FRPP submission comes from data contained in REXUS (Real Estate Across the United States), an inventory system that has built-in business rules to ensure data accuracy and reliability. One example of these business rules is that the system will not allow a building to be active without inputting its size information. A Data Reference Guide is provided to PBS's asset management staff outlining the expectations and definitions of common data elements contained in REXUS. Regular updates to the guide and system validations seek to limit the data errors inputted into the system.

GSA also identifies and checks new asset data after it is initially entered into REXUS to verify the completeness and accuracy of data inputted, including asset class code, status, property type, property use, buildings with zero gross square feet, and land with zero acreage. Incomplete or inaccurate data is addressed and updated as needed. GSA strives continuously to improve data quality by offering training and developing new data validation techniques.

FRPP Management System institutes several data checks of its own to ensure that submitted data complies with FRPP reporting rules as outlined in the FRPP Data Dictionary. Through the identification of regularly occurring FRPP system errors, GSA has been able to focus its internal data reviews in REXUS based off FRPP system errors. For example, GSA has decreased the number of reported buildings with zero gross square feet by 85% (113 assets in 2008 down to 17 assets in 2018) in both REXUS and the FRPP. FRPP also generates a missing-asset report that shows the assets that appeared in the previous year's FRPP, but not in the current submission. GSA uses the report to research the missing assets and ensure they are reported either as owned disposals or leased terminations. If an asset is not being reported as a disposal, GSA confirms that the asset should in fact be excluded from the current year's submission and then records an explanation of why it is not included in the submission. Research conducted based on the missing-asset report helps to ensure proper recording of an asset's life cycle.

Lastly, the FRPP system also generates a confirmation report prior to the final submission confirmation. The confirmation report provides GSA with a comparison of the current year's submission to the prior year. Using the confirmation report, GSA identifies any anomalies and ensures they make sense from a business standpoint. If not, GSA conducts background research to ensure that a data error did not occur. The limited number of changes in GSA's confirmation report demonstrates GSA's commitment to providing reliable data in FRPP submissions.

CHALLENGES AND IMPROVEMENT OPPORTUNITIES

One challenge that GSA continues to confront is cost allocation for the internal workplace projects. The funding of GSA workplace projects is a unique process that can include multiple funds, depending on the specific offices that will occupy the space. GSA developed a cost accounting method to track the expenditures, but system improvements are needed to automate the tracking and reporting on expenditures.

GSA has made notable progress towards sharing work spaces across agency components, and has a workplace services program to address the challenge regarding responsibilities for services such as the operation of printers, stocking and sharing of office supplies, mail distribution, and conference room maintenance. The program operates in all of GSA's regional offices to share services across agency operations efficiently and effectively. GSA's priority is to continue to gain efficiencies as the program grows, and to implement best practices nationwide.

Continued communication and engagement with employees is another priority for GSA. Sharing best practices and communicating "house rules" to optimize the open work environment with shared space and resources continues to be important for success.

GSA has modernized and reduced nearly all of its regional office locations. With these larger and more significant projects being complete, some for several years, OAS hopes to continue to track the success of these spaces and make improvements as needed to ensure the workplace stays relevant and effective, and serves as a model for our customer agencies. Identifying these improvements and securing funding to act on them can be a challenge.

SIGNATURE

(b) (6) [redacted]

Allison F. Brigati
Deputy Administrator

September 10, 2019
Date

ATTACHMENTS (2):

- Office and warehouse asset changes
- Reduction targets for owned buildings

APPENDIX

GSA's 5-year disposal plan includes planned asset dispositions for all property types because GSA provides these types of space as part of its mission. GSA might relinquish its occupied space in a particular owned asset, but that action might not indicate any plan to dispose of the asset because other tenants might be available for backfill. The targets for GSA-occupied space alone do not capture GSA's disposal plans. The below disposal targets demonstrate GSA's commitment to reducing the overall Federal footprint for all property types.

Disposal Targets for Owned Buildings: FYs 2020–FY 2024

Disposal Target	FY 2020	FY 2021[3]	FY 2022	FY 2023	FY 2024
Net SF Reduction	581,320	0	173,592	251,179	2,229,300
Number of Buildings	5	0	10	1	34

[3] The disposal action previously projected for FY 2021 in GSA's prior FY 2019–FY 2023 Real Property Efficiency Plan has been removed from current projections due to renewed interest from a Federal tenant agency with a potential need for space at the subject location.